

Attorney Docket No.: 0503-002US2
PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Frederick J. Murphy Examiner: Rogers, Scott
Serial No.: 09/877,238 Art Unit: 2626
Filed: June 11, 2001
Title: Method and Apparatus for Interfacing a Plurality of
Devices to a Computer Network

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Mail Stop Petition
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

EXPRESS MAIL CERTIFICATE UNDER 37 CFR 1.10

"Express Mail" label number: EV339331973US
Date of Deposit: August 12, 2004

I hereby certify that the following *attached* paper(s) and/or fee are enclosed: Request to Withdraw (10 pgs.); Copy of letter of August 4, 2004, from Ms. Leslie Meyer-Leon to prior representative Mr. Peterson, with copies of enclosures, Exhibit A (5 pgs.); Copy of letter of August 4, 2004 from Matthew Summers, Exhibit B (1 pg.); Copy of letter of August 6, 2004 from Leslie Meyer-Leon, Exhibit C (1 pg.); Copy of Motion filed August 10, 2004, Exhibit D (18 pgs.); Proposed Petition submitted with Motion of August 10, 2004, Exhibit E (8 pgs.); and Postcard are being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 C.F.R. 1.10 on the date indicated above and are addressed to Mail Stop Petition, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

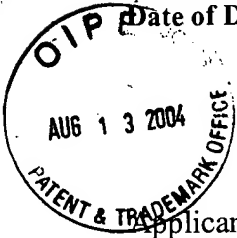

Karen A. Herrand

Enclosures: Request to Withdraw (10 pgs.)
Exhibit A-Copy of letter of August 4, 2004, from Ms. Meyer-Leon to prior representative Mr. Peterson (5 pgs.)
Exhibit B-Copy of letter of August 4, 2004, from Matthew Summers (1 pg.)
Exhibit C-Copy of letter of August 6, 2004, from Leslie Meyer-Leon (1 pg.)
Exhibit D-Copy of Motion filed August 10, 2004 (18 pgs.)
Exhibit E-Proposed Petition submitted with Motion of August 10, 2004 (8 pgs.)
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant:	Frederick J. Murphy	Examiner:	Rogers
Serial No:	09/877,238	Art Unit:	2626
Filed:	June 11, 2001		
Publication:	US 2002/0036791 A1, published March 28, 2002		
Title:	Method and Apparatus for Interfacing a Plurality of Devices to a Computer Network		

Mail Stop Petition
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

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CONDITIONAL REQUEST TO WITHDRAW UNDER

37 CFR 1.36, 37 CFR 10.40, and 37 CFR 10.170

The undersigned attorney respectfully submits this conditional request to withdraw ("Request"), and asks that it be held in abeyance pending further proceedings of the U.S. Bankruptcy Court of the District of Maryland (Baltimore), including a decision to a Motion to Lift Stay that was filed with the Bankruptcy Court on August 10, 2004, as more fully explained below. This Request is being filed in response to a demand made by the Chapter 7 Bankruptcy Trustee for NetFax Incorporated, who claims that authorization from the bankruptcy court is needed prior to any further action by inventor/applicant before the Office. While applicant/inventor respectfully disagrees, the undersigned files this Request to Withdraw as a conditional request, in order to also meet applicant/inventor's duty of disclosure by informing the Office of this development. 37 CFR 1.56; 37 CFR 10.38(b), 10.68, and 10.84.

For the convenience of the Office, this Request to Withdraw is accompanied by the following exhibits:

- Exhibit A: Letter of August 4, 2004, from Ms. Meyer-Leon to prior representative Mr. Peterson, with Revocation and Power of Attorney forms
- Exhibit B: Letter of August 4, 2004 from Mr. Summers, on behalf of Bankruptcy Trustee, to Ms. Meyer-Leon
- Exhibit C: Letter of August 6, 2004, from Ms. Meyer-Leon to Mr. Summers
- Exhibit D: Motion to Lift Stay (without exhibits)
- Exhibit E: Exhibit B to Motion to Lift Stay: Petition under 37 CFR 1.181(A) And 37 CFR 3.73(b) for Declaration as to Type of Application

BACKGROUND

1. On information and belief, patent application U.S. Serial No. 08/555,911 was filed on November 13, 1995, naming Frederick J. Murphy as sole inventor (the "Original Application"), and is pending.

2. On information and belief, patent application U.S. Serial No. 09/184,972 ("the '972 application") was filed on November 3, 1998, as a divisional application of the Original Application. The '972 application issued as U.S. Patent Number 6,028,679 on February 22, 2000.

3. On information and belief, patent application U.S. Serial No. 09/506,925 ("the '925 application") was filed as a divisional application of the '972 application on February 18, 2000.

4. On information and belief, the above-captioned application ("the '238 application") was published on March 28, 2002, as US Published Application US 2002/0036791 A1. The 'related application data' shown on the first page of the published application indicates that the '238 application claims benefit from the '925 application as a divisional application.

5. On information and belief, an assignment has been recorded at reel/frame 008316/0076 in the USPTO Assignment Division, and given an effective recordation date of November 4, 1996. According to a copy of this assignment document obtained from the public records of the Assignment Division, this document appears on its face to be a conveyance of title to the Original application from Mr. Murphy to NetFax Incorporated ("Debtor") and divisionals and continuations thereof, but does not extend to continuation-in-part applications.

6. On information and belief, Mr. Murphy has never assigned any of his right, title and interest under the '238 application, and, in the event the '238 application is confirmed to be a CIP, Mr. Murphy retains the right to take action in the '238 application. *See*, 37 C.F.R. § 3.73(a) ("The inventor is presumed to be the owner of a patent application, and any patent that may issue therefrom, unless there is an assignment.").

7. On May 14, 2002, NetFax Incorporated (hereafter "Debtor") filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, in the United States Bankruptcy Court for the District of Maryland (the "Bankruptcy Court"), Case Number 02-5777-SD. On or about June 21, 2002, the Bankruptcy Court converted the case to a Chapter 7 proceeding. *In re: NetFax, Inc., Bankruptcy Case No. 02-5777-SD (Chapter 7), In the United States Bankruptcy Court for the District of Maryland* (hereafter "Bankruptcy Proceeding").

8. On or about April 6, 2004, Mr. Joseph Bellinger, the Chapter 7 trustee for the Debtor's estate (hereafter "Bankruptcy Trustee") filed his *Motion for Authority to Sell the Bankruptcy Estate's Interest in Intellectual Property Subject to Pre-Petition Secured Claims and Free and Clear of Post-Petition Secured Claims* (the "Motion to Sell"), pursuant to which the Trustee requested that the Bankruptcy Court authorize him to sell certain intellectual property, including the '238 application, to an identified prospective bidder or such party that makes a higher and better offer to purchase the property. As of the date of this Request, a hearing for the sale of the Debtor's intellectual property, including allegedly the '238 application, has been scheduled for August 20, 2004. *Second Amended Notice of hearing on Chapter 7 Trustee's Motion for Authority to Sell the Bankruptcy Estate's Interest In Intellectual Property Subject to Pre-Petition Secured Claims and Free and Clear of Post-Petition Secured Claims*, July 7, 2004.

9. The undersigned was recently engaged by Mr. Murphy and, acting on behalf of inventor Murphy, downloaded a copy of the published patent application corresponding to the '238 application, US 2002/0036791 A1, published March 28, 2002, along with a copy of US 6,028,679, from Delphion®, a commercial provider of published patent documents. The 'Related US Application Data' on the first page of US 2002/0036791 A1, stated that the '238 application is a "Division of application No. 09/506,925, filed on Feb. 18, 2000, which is a division of application No. 09/184,972, filed on Nov. 3, 1998, now Pat. No. 6,028,679, which is a division of application No. 08/555,911, filed on Nov. 13, 1995." US 2002/0036791A1, March 28, 2002, page 1. Although the benefit claims of the '238 application were described as an unbroken chain of divisional filings, the '238 application was observed to have a substantial

amount of added subject matter relative to US 6,028,679, suggesting that the benefit chain needs to be corrected to reflect the filing of a CIP application within the chain. *See*, MPEP § 201.08.

10. The undersigned, on behalf of inventor Murphy, has received a copy of the prosecution file wrapper for the '925 application that had been copied from the public records of the Office by a commercial document service. The file wrapper included copies of the transmittal papers, specification, and drawings of the '925 application, allegedly as filed on February 18, 2000. Although the '238 application has forty-seven figure drawings, the immediately preceding application, the '925 application, has only nine figure drawings, which appeared incompatible with the fact that the '238 application had been designated to be a divisional application of the '925 application.

11. Although the Bankruptcy Trustee has claimed that the '238 application is property of the Debtor's estate, inventor Murphy is of the view that, as a CIP application, title to the '238 application is not held by the Debtor's estate. While a prior assignment recorded against an original application is applied to a divisional, it is not applied to a CIP, which requires a new assignment. No new assignment has been executed for the '238 application, so Mr. Murphy continues to hold title to the '238 application.

12. A "*Revocation Of Power Of Attorney With New Power Of Attorney And Change Of Correspondence Address*" (PTO/SB/82 09-03) form was executed on July 26, 2004, by Mr. Murphy as inventor applicant, filed with the Office by express mail on July 29, 2004, and received by the Office on July 30, 2004 (hereafter "*Revocation and Power of Attorney*"). The *Revocation and Power of Attorney* revoked all previous powers of attorney given in the '238 application, and appointed power of attorney to the undersigned. On August 4, 2004, prior

representative Thomas Peterson was provided with a copy of the *Revocation and Power of Attorney*, accompanied by a cover letter from the undersigned, a copy of which is attached hereto as Exhibit A.

13. On August 4, 2004, Mr. Matthew Summers, an associate attorney working on behalf of the Bankruptcy Trustee, sent a letter to the undersigned alleging that the Revocation and Power of Attorney violated the automatic stay in the Bankruptcy Proceeding. Exhibit B. On August 6, 2004, the undersigned responded to the Bankruptcy Trustee, denying that the act of filing a Revocation and Power of Attorney violated the automatic stay but agreeing, in the interest of moving toward a determination of title to the '238 application without the distraction of extraneous issues, to file, without prejudice, a request to withdraw as attorney under 37 CFR Part 10. Exhibit C.

14. As explained herein, Inventor Murphy has had and continues to have a reasonable and good faith basis for believing that the '238 application is in fact a CIP application rather than a divisional filing, and that the '238 application has not been assigned to the Debtor and is not property of the Debtor estate. With this good faith basis, inventor Murphy's filing of a Revocation and Power of Attorney did not violate the automatic stay.

15. Notwithstanding that good faith belief, in order to address the Bankruptcy Trustee's allegations, inventor Murphy on August 10, 2004, filed a motion with the Bankruptcy Court, requesting a lift of the automatic stay for the limited purpose of seeking the Bankruptcy Court's authorization to file a petition with the patent office for a determination as to whether the '238 application is a "divisional application" (as stated on the face of the corresponding published application) or a CIP application (based on the additional subject matter included in the '238

application but not found in the prior '925 application), and to take all actions necessary to effectuate and facilitate the filing of the petition (including filing a new power of attorney).

Motion of Frederick J. Murphy for Relief From the Automatic Stay, August 10, 2004 (hereafter "Motion to Lift Stay"). A copy of the Motion to Lift Stay is attached hereto as Exhibit D, and a copy of the proposed petition (Exhibit B to the Motion to Lift Stay), is attached hereto as Exhibit E.

REMARKS

It is respectfully submitted that applicant/inventor Murphy has filed a Revocation of Power of Attorney in this case, having the reasonable and good faith belief that as inventor he retains the title of the '238 application that is initially vested in the inventor, and thus retains the right to take action in the instant application. The undersigned appreciates the importance of complying with all applicable bankruptcy law and with the authority of the Bankruptcy Court, and therefore, in deference to the allegation of the Bankruptcy Trustee that Mr. Murphy's actions in the patent office are an alleged violation of the bankruptcy stay (which allegation is respectfully disputed), files this Request to Withdraw. The undersigned has also set forth the factual background of this matter and, as a member of the patent bar and aware of the obligations of disclosure and candor to the U.S. Patent Office, wishes to fully inform the Office of the present situation. 37 CFR 1.56; 37 CFR 10.38(b), 10.68, and 10.84.

Should the Office consider submission of the present request proper, it is respectfully requested that the Office hold the present Conditional Request to Withdraw in abeyance pending further proceedings in the Bankruptcy Court, including while the Motion to Lift Stay is pending,

so that the status of the '238 application is not endangered by lack of a proper correspondent to receive Office communications. *See*, 37 CFR 1.33. In making this request, applicant/inventor Murphy submits that he does not wish to place prior representative Peterson in a position of conflict of interest pursuant to 37 CFR 10.66, and is thus reluctant to reappoint power of attorney to Mr. Peterson. Thus, it is respectfully requested that action on the Request to Withdraw be suspended until such time as the Bankruptcy Court takes further action.

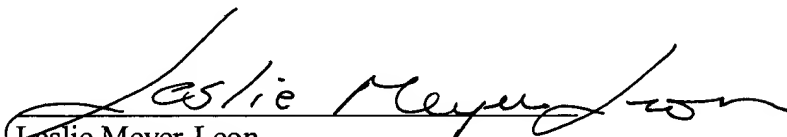
CONCLUSION

Please charge any outstanding fees, or credit any overpayments, to Deposit Account No. 50-1895, Ref. No. 0503-002US2.

Respectfully submitted:

Date:

Aug 12, 2004



Leslie Meyer-Leon
Reg. No. 37,381

IP LEGAL STRATEGIES GROUP P.C.
P.O. Box 1210, 1480 Falmouth Road
Centerville, MA 02632-1210
Telephone: 508-790-9299
Facsimile: 508-790-1955

Enclosures: Exhibits A-E, Postcard

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Leslie Meyer-Leon, Ph.D., J.D.
Registered Patent Attorney

Office@IPLegalStrategies.com
(978) 443-9411

August 4, 2004

BY FACSIMILE AND ELECTRONIC MAIL
ORIGINAL BY MAIL

Thomas L. Peterson, Esq.
Banner & Witcoff Ltd.
1001 G Street N.W.
Suite 1100
Washington, DC 20001-4597

Re: Patent applications of Frederick J. Murphy
US Application Serial Nos. 09/877,238, 09/877,239, and 09/877,240

Dear Tom:

I have been engaged to represent Mr. Frederick J. Murphy, and am writing to you regarding three patent applications that were filed by Mr. Murphy in 2001 (hereafter "the 2001 applications")¹. Mr. Murphy is the sole named inventor and applicant of the 2001 applications, has never executed an assignment of the 2001 applications, and (as discussed below) is the owner of record of the 2001 applications. On behalf of Mr. Murphy, I am writing to request that you transfer the original case files pertaining to the 2001 applications to me immediately at the address shown above.

Please find enclosed, with the confirmation copy of this letter, copies of "*Revocation Of Power Of Attorney With New Power Of Attorney And Change Of Correspondence Address*" forms, which were executed by Mr. Murphy and filed with the U.S. Patent & Trademark Office ("USPTO") by express mail on July 29, 2004, for each of the 2001 applications.

Mr. Murphy's ownership interest in the 2001 applications is evidenced by the content of the applications themselves. I have recently examined the specification and drawings of the 2001 applications and the USPTO file record of prior application serial no. 09/506,925, filed February 18, 2000 ("the '925 application"). Although the benefit claims published on the face of

¹ US Serial No. 09/877,240, filed on 06-11-2001, "*Method and apparatus for delivery of digital images over a computer network*" (US2002/0036792A1, published 2002-03-28); US Serial No. 09/877,239, filed on 06-11-2001, "*Method and apparatus for delivery of facsimile documents over a computer network*" (US2002/0033961A1, published 2002-03-21); US Serial No. 09/877,238, filed on 06-11-2001, "*Method and apparatus for interfacing a plurality of devices to a computer network*" (US2002/0036791A1, published 2002-03-28)

each of the 2001 applications² represent that they are divisional applications of the '925 application, this is clearly not the case, because the disclosure of a divisional application may not depart from the substance of the prior application by including new subject matter. MPEP § 201.06. The 2001 applications include a substantial amount of added subject matter. (By way of example, each of the 2001 applications has forty-seven figure drawings. The '925 application has only nine figure drawings.) The 2001 applications should have been filed as continuation-in-part applications. *See*, MPEP § 201.08.

As you know, a continuation-in-part application requires far different treatment than a divisional/continuation application. Title to a continuation-in-part application is not conveyed by virtue of any prior assignment of the original or prior application. Mr. Murphy did not execute an assignment to the 2001 applications, so title resides with Mr. Murphy.

As an additional matter, during my review of the prosecution history of the '925 application I became aware of a June 30, 2004, statutory bar date for responding to a final office action mailed in December of 2003. Would you kindly let me know whether any action was taken prior to June 30, 2004, to maintain the '925 application and/or the subject matter or claims therein? Due to the possible interests of NetFax Incorporated in connection with the '925 application, I am forwarding a courtesy copy of this letter to Mr. Bellinger.

Please feel free to call me if you have any questions.

Very truly yours,



Leslie Meyer-Leon

LML/kah
Enclosures
c.c.: Mr. Joseph Bellinger, Trustee

² US2002/0033961A1, March 21, 2002, at page 1; US2002/0036792A1, March 28, 2002, at page 1; US2002/0036792A1, March 28, 2002, at page 1 ("*Related U.S. Application Data[:]* Division of application No. 09/506,925, filed on Feb. 18, 2000, which is a division of application No. 09/184,972, filed on Nov. 3, 1998, now Pat. No. 6,028,679, which is a division of application No. 08/555,911, filed on Nov. 13, 1995.")

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number.

**REVOCATION OF POWER OF
ATTORNEY WITH
NEW POWER OF ATTORNEY
AND
CHANGE OF CORRESPONDENCE ADDRESS**

Application Number	09/877,240
Filing Date	June 11, 2001
First Named Inventor	Frederick J. Murphy
Art Unit	
Examiner Name	
Attorney Docket Number	0503-002US4

I hereby revoke all previous powers of attorney given in the above-identified application.

☐ A Power of Attorney is submitted herewith.

OR

☒ I hereby appoint the practitioners associated with the Customer Number:

32665

☒ Please change the correspondence address for the above-identified application to:

☒ The address associated with
Customer Number:

32665

OR

☐ Firm or
Individual Name

Address

Address

City

State

Zip

Country

Telephone

Fax

I am the:

☒ Applicant/Inventor.

☐ Assignee of record of the entire interest. See 37 CFR 3.71.
Statement under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/96)

SIGNATURE of Applicant or Assignee of Record

Name Frederick J. Murphy

Signature

Date

Telephone

508-457-9783

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below.

☐ *Total of _____ forms are submitted.

This collection of information is required by 37 CFR 1.36. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 3 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

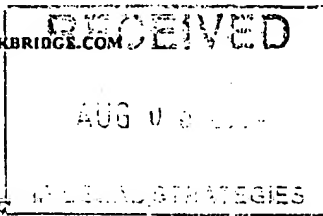
If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

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MILES & STOCKBRIDGE P.C.

MATTHEW G. SUMMERS
(410) 385-3592

MSUMMERS@MILESTOCKBRIDGE.COM



August 4, 2004

VIA FACSIMILE

Leslie Meyer-Leon, Esquire
IP Legal Strategies Group P.C.
1480 Falmouth Road
P.O. Box 1210
Centerville, Massachusetts 02632-1210

RE: *In re: NetFax, Inc.*
Bankruptcy Case No. 02-5777-SD (Chapter 7)
In the United States Bankruptcy Court for the District of Maryland

Dear Ms. Meyer-Leon:

I represent Joseph J. Bellinger, Chapter 7 trustee for the above-referenced bankruptcy estate. I am in receipt of your letter to Thomas L. Peterson, Esquire dated August 4, 2004 regarding the "Revocation of Power of Attorney with New Power of Attorney and Change of Correspondence Address" forms (the "Revocation") filed by Frederick J. Murphy with the U.S. Patent & Trademark Office ("USPTO"). This action constitutes a blatant and willful violation of the automatic stay. Accordingly, if a retraction of the Revocation in a form and substance acceptable to Mr. Peterson is not filed with the USPTO by the close of business on Friday, August 6, 2004, the Trustee will file appropriate emergency pleadings in the Bankruptcy Court seeking a temporary restraining order and damages for violation of the automatic stay against Mr. Murphy, IP Legal Strategies Group P.C., and you, individually. In addition, as part of any such action, the Trustee will seek discovery to determine the identity of all other individuals, if any, who assisted Mr. Murphy in taking this action so that they may also be joined as defendants.

Very truly yours,



Matthew G. Summers

MGS/lk

cc: Joseph J. Bellinger, Esquire
Thomas L. Peterson, Esquire (via facsimile)
Richard M. Kremen, Esquire (via facsimile)
James M. Greenan, Esquire (via facsimile)

BALT01:856332v1|G509-000063|8/4/2004

10 Light Street, Baltimore, Maryland 21202-1487 / Phone: 410.727.6464 / Fax: 410.385.3700 / www.milestockbridge.com

Cambridge, MD / Columbia, MD / Easton, MD / Frederick, MD / McLean, VA / Rockville, MD / Towson, MD / Washington, D.C.

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Leslie Meyer-Leon, Ph.D., J.D.
Registered Patent Attorney

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August 6, 2004

BY FACSIMILE
ORIGINAL BY MAIL


Matthew G. Summers, Esq.
Miles & Stockbridge P.C.
10 Light Street
Baltimore, MD 21202-1487

Re: In re: NetFax, Inc.
Bankruptcy Case No. 02-5777-SD (Chapter 7)
In the United States Bankruptcy Court for the District of Maryland

Dear Matt:

I am in receipt of your letter dated August 4, 2004 in which you contend that the filing of the Revocation of Power of Attorney with New Power of Attorney and Change of Correspondence Address filed by my client, Frederick J. Murphy, with the U.S. Patent & Trademark Office (the "USPTO") constitutes a violation of the automatic stay. I disagree with your contention. Mr. Murphy, not Netfax, holds title to the subject continuation-in-part applications. However, in the interest of moving toward a determination of ownership that is not distracted by extraneous issues, I intend to file early next week with the USPTO a request to withdraw as attorney under 37 CFR Part 10. Obviously, the filing of this request to withdraw is not an admission as to Mr. Murphy or myself and is being done entirely without prejudice.

Very truly yours,



Leslie Meyer-Leon

LML/kah

cc:

Thomas L. Peterson, Esq.
Joseph J. Bellinger, Esq.
Frederick J. Murphy, Ph.D

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(BALTIMORE DIVISION)**

IN RE:

NETFAX, INC.,

Debtor.

Case Number: 02-5-7777-SD

Chapter 7

FREDERICK J. MURPHY,

Movant,

v.

JOSEPH J. BELLINGER, TRUSTEE,

Respondent.

**MOTION OF FREDERICK J. MURPHY
FOR RELIEF FROM THE AUTOMATIC STAY**

Pursuant to Section 362 of the United States Bankruptcy Code and Federal Rules of Bankruptcy Procedure 4001, 9013 and 9014, Frederick J. Murphy ("Murphy"), by his undersigned counsel, hereby moves for relief from the automatic stay to permit him to file a petition with the United States Patent and Trademark Office (the "USPTO") for a determination whether certain patent applications are "divisional applications" or "continuation-in-part applications." This determination will ultimately establish whether the bankruptcy estate of Netfax, Inc. ("Netfax") holds title to the patent applications. Joseph J. Bellinger ("Bellinger" or the "Trustee"), Chapter 7 trustee for the Netfax bankruptcy estate, claims that the patent applications are property of the bankruptcy estate and has filed a motion requesting authority to

sell the patent applications and other intellectual property. As more fully described below, Murphy disputes that the applications are property of the bankruptcy estate and claims ownership of the applications. Murphy now seeks relief from the automatic stay so that he may petition the USPTO to determine whether the applications are divisional applications or continuation-in-part applications. As further explained below, if the applications are continuation-in-part applications, Murphy retains title to the applications. Murphy submits that a determination by the USPTO is necessary to establish clear title to the applications. In further support of this Motion, Murphy respectfully states as follows:

PARTIES, JURISDICTION AND VENUE

1. Murphy is an individual residing at 126 Ambleside Drive, Falmouth, Massachusetts 02540.
2. Netfax filed a voluntary petition for relief in this Court under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") on May 14, 2002 (the "Petition Date"). On or about June 21, 2002, this Court entered an order converting this case to a Chapter 7 proceeding.
3. Bellinger was appointed trustee for the Netfax bankruptcy estate and continues to serve in that capacity.
4. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334 and 11 U.S.C. § 362.
5. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(G).
6. Venue is proper in this Court pursuant to 28 U.S.C. § 1409.

STATEMENT OF FACTS

7. Murphy is the sole inventor on the following six patent applications:
- a. On November 13, 1995, Murphy filed an original patent application U.S. Serial No. 08/555,911 (the "Original Application") with the USPTO. The Original Application has not issued as a mature patent and, on information and belief, is still pending before the USPTO.
 - b. Patent application U.S. Serial No. 09/184,972 (the "'972 Application") was filed on November 3, 1998 as a divisional application of the Original Application. The '972 Application issued as U.S. Patent Number 6,028,679 entitled *Internet Global Area Networks Fax System* (the "Issued Patent") on February 22, 2000.
 - c. Patent application U.S. Serial No. 09/506,925 (the "'925 Application") was filed as a divisional application of the '972 Application on February 18, 2000. On information and belief, the '925 Application was abandoned effective June 30, 2004 due to the failure of Netfax to respond to a communication from the USPTO within the extended statutory period for response.
 - d. On June 11, 2001, the following three applications were filed:
 - i. Patent application U.S. Serial Number 09/877,238, titled *Method and apparatus for interfacing a plurality of devices to a computer network* (published application US2002/0036791A1, published March 28, 2002) (the "'238 Application");
 - ii. Patent application U.S. Serial Number 09/877,239, titled *Method and apparatus for delivery of facsimile documents over a computer network* (published application US2002/0033961A1, published March 21, 2002) (the "'239 Application"); and
 - iii. Patent application U.S. Serial Number 09/877,240, titled *Method and apparatus for delivery of digital images over a computer network* (published application US2002/0036792A2, published March 28, 2002) (the "'240 Application" and, collectively with the '238 Application and the '239 Application, the "2001 Applications").
8. According to the public records of the USPTO, on October 30, 1996, Thomas Peterson ("Peterson") filed a "Recordation of Assignment", accompanied by a document titled "Assignment", which provides that Murphy assigned to Netfax all of his right, title and interest.

in the Original Application and any divisions and continuations thereof (the "Assignment"). The public records indicate that the Assignment has an effective recordation date of November 4, 1996. The Assignment does not extend to continuation-in-part applications of the Original Application. A true and correct copy of the Assignment obtained from the USPTO public records is attached hereto as EXHIBIT A.

9. As a result of Murphy's assignment of the Original Application, Murphy also assigned all of his right, title and interest in the '925 Application, a divisional patent. The assignment of the Original Application did not result in an assignment of the 2001 Applications because, although the 2001 Applications were published with a designation of "divisional" on the face of the applications, they are actually continuation-in-part applications because they contain additional subject matter.

10. On information and belief, Netfax delegated authority to control prosecution of the '925 Application to Peterson. Netfax abandoned all of Netfax's rights in and under the '925 Application by failing to respond to a final office action mailed by the USPTO in December 2003 by the extended statutory bar date of June 30, 2004.

11. Murphy has never assigned any of his right, title or interest under the 2001 Applications and therefore remains the owner of the 2001 Applications. *See* 37 C.F.R. § 3.73(a) ("The inventor is presumed to be the owner of a patent application, and any patent that may issue therefrom, unless there is an assignment.").

12. The Issued Patent is widely regarded as the pioneer Internet fax patent. The 2001 Applications are generally directed toward transformation and delivery of documents or other data over computer networks, certified delivery of electronic documents and value bearing

instruments over computer networks, and certain leading edge digital certificate and data transport encryption processes.

13. In the Netfax bankruptcy case, the Trustee has claimed that the 2001 Applications constitute property of the Netfax bankruptcy estate.

14. On or about April 6, 2004, the Trustee filed his Motion for Authority to Sell the Bankruptcy Estate's Interest in Intellectual Property Subject to Pre-Petition Secured Claims and Free and Clear of Post-Petition Secured Claims (the "Motion to Sell"), pursuant to which the Trustee requests this Court authorize him to sell certain intellectual property, including the 2001 Applications, to Firstin, Inc. ("Firstin") or such party that makes a higher and better offer to purchase the property.

REQUEST FOR RELIEF

15. Murphy requests that this Court terminate the automatic stay imposed by Section 362(a) to permit Murphy to file a petition with the USPTO for a determination whether each of the 2001 Applications is a "divisional application" as stated on the face of the corresponding published application or a "continuation-in-part application" based on the additional subject matter included in each of the 2001 applications but not found in the prior '925 Application. Attached hereto as EXHIBIT B is a draft petitions relating to the '238 Application. (The exhibits to the draft petitions are voluminous and therefore are not attached to service copies. Copies of the exhibits are available upon request to the undersigned counsel.) If this Motion is granted, Murphy will prepare and file petitions in substantially the same form for the '239 Application and the '240 Application.

16. A "divisional" application is "[a] later application for an independent or distinct invention, carved out of a pending application and disclosing and claiming only subject matter

disclosed in the earlier or parent application." Manual of Patent Examining Procedure § 201.06. A "continuation-in-part" application is "an application filed during the lifetime of an earlier nonprovisional application, repeating some substantial portion or all of the earlier nonprovisional application and *adding matter not disclosed* in the said earlier nonprovisional application." Manual of Patent Examining Procedure § 201.08 (emphasis in original). The distinction is important because "a prior assignment recorded against the original application is applied to the division or continuation application because the assignment recorded against the original application gives the assignee rights to the subject matter common to both applications." Manual of Patent Examining Procedure § 306. However, "a prior assignment of the original application is not applied to the substitute or continuation-in-part application because the assignment recorded against the original application gives the assignee rights to only the subject matter common to both applications." *Id.* "Substitute or continuation-in-part applications require a new assignment if they are to be issued to an assignee." *Id.*

17. Determination by the USPTO is necessary to clarify whether Murphy retains title to the 2001 Applications, which is initially vested in the inventor and remains with the inventor absent an assignment, and whether he therefore retains the right to take action before the USPTO with respect to the 2001 Applications. If the USPTO determines that the 2001 Applications are continuation-in-part applications, Murphy holds title to each of the 2001 Applications because continuation-in-part applications require a new assignment. Until the nature of the applications is determined, title to the 2001 Applications is in dispute and no purchaser can obtain clear title to them.

BASIS FOR RELIEF

18. Section 362(d) provides as follows:

On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay –

(1) for cause, including the lack of adequate protection of an interest in property of such party in interest;

(2) with respect to stay of an act against property under subsection (a) of this section, if –

(A) the debtor does not have any equity in such property; and

(B) such property is not necessary to an effective reorganization.

19. Because "cause" is not defined in the Bankruptcy Code, bankruptcy courts must determine when discretionary relief is appropriate on a case-by-case basis. *Cloughton v. Mixson*, 33 F.3d 4, 5 (4th Cir. 1994). The legislative history of Section 362 states that "cause" may be established by a single factor such as "a desire to permit an action to proceed ... in another tribunal" or lack of any "interference with the pending bankruptcy case." *In re Rexene Products Co.*, 141 B.R. 574, 576 (Bankr. D. Del. 1992) (citing H.R. Rep. No. 95-595, 95th Cong., 1st Sess., 341 (1977)). In determining whether "cause" exists, bankruptcy courts have "broad discretion." *Cloughton*, 33 F.3d at 5.

20. The Fourth Circuit has articulated three factors courts should consider in deciding whether "cause" has been shown for modification of the automatic stay to permit the prosecution of litigation against the debtor in another forum. These factors include: (1) whether the issues in the pending litigation involve non-bankruptcy law, so the expertise of the bankruptcy court is unnecessary; (2) whether modifying the stay will promote judicial economy and whether there would be greater interference with the bankruptcy case if the stay were not lifted because matters

would have to be litigated in bankruptcy court; and (3) whether the estate can be protected properly by a requirement that creditors seek enforcement of any judgment through the bankruptcy court. *Robbins v. Robbins (In re Robbins)*, 964 F.2d 342, 345 (4th Cir. 1992). When applied to this case, these factors overwhelmingly support modification of the automatic stay to permit Murphy to file the petition with the USPTO.

21. Here, the issue that must be decided is whether the 2001 Applications are "divisional applications" or "continuation-in-part applications." This issue implicates only non-bankruptcy law. Therefore, the expertise of this Court is not necessary. Moreover, such determination lies within the exclusive jurisdiction of the USPTO. *See, e.g., Display Research Laboratories, Inc. v. Telegen Corp.*, 133 F.Supp.2d 1170 (N.D. Cal. 2001) (district court did not have jurisdiction over request for declaratory judgment because patent had not been issued yet; prior to issuance of patent, USPTO has sole jurisdiction over dispute relating to title to patent); *Fordham v. Onesoft Corp.*, 2001 WL 641759 (E.D. Va. Jan. 24, 2001) (USPTO has exclusive jurisdiction with respect to competing claims to pending patent applications). "Until a patent is issued, the Court's involvement would be premature and would encroach on the administrative function of the Commissioner [of the USPTO]." *Display Research Laboratories*, 133 F.Supp.2d at 1174.

22. The second factor, promotion of judicial economy, also supports modification of the stay. The USPTO, which issues divisional and continuation-in-part applications, is uniquely qualified to determine whether an application is a divisional or continuation-in-part. The USPTO is the most appropriate forum to efficiently address the issues presented and to grant complete relief without any interference with the bankruptcy proceedings.

23. Finally, with respect to the third factor, protection of the estate, modification of the stay will not in any way harm the estate or the interests of creditors. Whatever interest the estate has in the 2001 Applications, the estate has. The determination by the USPTO of the titleholder of the 2001 Applications can not increase or diminish the estate's interest. Murphy seeks to maintain the *status quo* in the bankruptcy case until the USPTO makes the necessary determination. It is in the best interest of the Netfax estate for the USPTO to promptly determine whether the estate holds title to the 2001 Applications. Without this determination by the USPTO, no purchaser in the bankruptcy case can obtain clear title to the applications.

24. In addition to the foregoing, relief from the stay should be granted because the 2001 Applications are not necessary for an effective reorganization.

25. Pursuant to Local Bankruptcy Rule 9013-2, Murphy will rely solely on the grounds and authorities set forth herein and will not submit a memorandum in support of this Motion.

WHEREFORE, Murphy requests that this Court enter an order:

A. Modifying the automatic stay imposed by Section 362(a) to permit Murphy to file petitions with the USPTO for determinations whether each of the 2001 Applications are "divisional applications" or "continuation-in-part applications" and to take all actions necessary to effectuate and facilitate the filing of the petitions (including, without limitation, filing a revocation of the existing power of attorney on file for each of the 2001 Applications and filing a new power of attorney); and

B. Granting Murphy such other and further relief as is just and appropriate under the circumstances.

Dated: August 10, 2004

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Counsel for Frederick J. Murphy

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 10th day of August, 2004, copies of the foregoing Motion of Frederick J. Murphy for Relief from the Automatic Stay were served on the parties on the attached service list by first class mail, postage prepaid, and on the following by overnight mail:

Joseph J. Bellinger, Esquire
Chapter 7 Trustee
Miles & Stockbridge
10 Light Street, 12th Floor
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/s/ Maria Ellena Chavez-Ruark
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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(BALTIMORE DIVISION)**

IN RE:

NETFAX, INC.,

Debtor.

Case Number: 02-5-7777-SD

Chapter 7

FREDERICK J. MURPHY,

Movant,

v.

JOSEPH J. BELLINGER, TRUSTEE,

Respondent.

**ORDER GRANTING MOTION OF
FREDERICK J. MURPHY FOR RELIEF FROM AUTOMATIC STAY**

Upon consideration of the Motion for Relief from Automatic Stay (the "Motion") filed by Frederick J. Murphy ("Murphy") and it appearing that cause exists to terminate the automatic stay to permit Murphy to file a petition with the United States Patent and Trademark Office (the

"USPTO") for a determination whether the Unissued Intellectual Property (as defined in the Motion) are "divisional applications" or "continuation-in-part applications", it is hereby

ORDERED, that the Motion is hereby granted; and it is further

ORDERED, that the automatic stay imposed by 11 U.S.C. § 362 is hereby terminated to permit Murphy to file petitions with the USPTO for determinations whether each of the 2001 Applications are "divisional applications" or "continuation-in-part applications" and to take all actions necessary to effectuate and facilitate the filing of the petitions (including, without limitation, filing a revocation of the existing power of attorney on file for each of the 2001 Applications and filing a new power of attorney).

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*** END OF ORDER ***



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant:	Frederick J. Murphy	Examiner:	Rogers
Serial No:	09/877,238	Art Unit:	2626
Filed:	June 11, 2001		
Publication:	US 2002/0036791 A1, published March 28, 2002		
Title:	Method and Apparatus for Interfacing a Plurality of Devices to a Computer Network		

Mail Stop Petition
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

PETITION UNDER 37 CFR 1.181(a) and 37 CFR 3.73(b)
FOR DECLARATION AS TO TYPE OF APPLICATION

Applicant/inventor Frederick J. Murphy respectfully requests that the Director determine whether the above-captioned application (hereafter "the '238 application") has been correctly designated a "*divisional application*," as indicated on the face of corresponding published application US 2002/003679 A1, or whether it is actually in fact a "*continuation-in-part application*" based on added subject matter included in the '238 application but not found in the prior application. 35 U.S.C. 120; 37 CFR 1.53(b). Applicant/inventor seeks this determination to clarify whether he retains the right, initially vested in the inventor, to take action in the instant patent application. Although a prior assignment recorded against an original application would be applied to a divisional application, a continuation-in-part application requires a new assignment, and no new assignment has ever been executed or recorded in the present case.

37 CFR 3.73(b); MPEP 306, 324(II).

This petition is appropriately submitted to the Director in keeping with the mandate of Rule 3.73(b) that the right of an assignee to take action be established to the satisfaction of the Director. 37 CFR 1.181(a)(2), 1.181(a)(3).

REMARKS

In the present petition, the Director is asked to determine whether the '238 application was correctly designated a *divisional application* (as indicated on the face of corresponding published application US 2002/003679 A1; Exhibit A hereto), or whether it is in fact a *continuation-in-part application* because it contains subject matter not found in the prior application. 35 U.S.C. 120; 37 CFR 1.53(b).

For the convenience of the Director, this Petition is accompanied by the following exhibits:

- | | |
|------------|--|
| Exhibit A: | Published application US 2002/0036791 A1, published March 28, 2002 (corresponding to application 09/877,238, filed June 11, 2001), " <i>Method and Apparatus for Interfacing a Plurality of Devices to a Computer Network</i> " |
| Exhibit B: | Prior application 09/506,925, filed February 18, 2000, " <i>Internet Global Area Networks Fax System</i> " (hereafter "the '925 application") |
| Exhibit C: | " <i>Revocation Of Power Of Attorney With New Power Of Attorney And Change Of Correspondence Address</i> " executed by the inventor, Mr. Murphy, and filed with the U.S. Patent & Trademark Office by express mail on July 29, 2004. |
| Exhibit D: | Assignment of US application 08/855,911, recorded November 4, 1996 |

Procedural Background

1. On information and belief, the '925 application was filed on February 18, 2000, as a divisional application of US 09/184,972, filed November 3, 1998, now US Patent No. 6,028,679, issued February 22, 2000, which is a divisional of application serial no. 08/855,911, filed November 13, 1995.

2. On information and belief, the '238 application was published on March 28, 2002, as US Published Application US 2002/0036791 A1. The 'related application' data shown on the first page of the published application indicates that the '238 application claims benefit from the '925 application as a divisional application. A copy of US Published Application US 2002/0036791A1 is attached hereto as Exhibit A.

3. On July 21, 2004, the undersigned, as representative for the inventor, Mr. Murphy, ordered and obtained a copy of the prosecution file wrapper for the '925 application from the US Patent & Trademark Office (hereafter "the Office"). The file wrapper included a copy of the '925 application as filed. A copy of the transmittal papers, specification, and drawings of the '925 application that were obtained from the Office is attached hereto as Exhibit B.

4. A "*Revocation Of Power Of Attorney With New Power Of Attorney And Change Of Correspondence Address*" form was executed by the inventor and filed with the Office by express mail on July 29, 2004 (hereafter "Revocation and Power of Attorney", Exhibit C hereto), for the purpose of filing the instant petition and seeking the Director's review.¹

¹ Applicant's prior representative, Mr. Peterson, was provided with a copy of the Revocation and Power of Attorney by facsimile transmission on August 4, 2004.

5. On information and belief, an assignment was recorded against parent application 08/855,911 at reel/frame 008316/0076, and given an effective recordation date of November 4, 1996 (hereafter "the 1996 Assignment Document", Exhibit D hereto). The 1996 Assignment Document appears on its face to be a conveyance from Mr. Murphy to NetFax Incorporated of title to prior application 08/855,911, filed November 13, 1995.

Type of Continuing Application under 37 CFR 1.53(b)

Applicant/inventor respectfully requests that the Director compare the disclosure of the '238 application with the disclosure of the '925 application, and make a determination as to what type of continuing application should be listed in the 'related application' data for the '238 application. Applicant/inventor submits that the '238 application includes subject matter not found in the '925 application, and thus departs substantially from the rule that the disclosure of a divisional application not include new subject matter. MPEP § 201.06. In particular, the undersigned representative of the inventor recently compared the specification and drawings of the '238 application with the specification and drawings the '925 application. Although the benefit claims published on page one of the '238 application represent that it is a divisional application of the '925 application, the published version of the '238 application includes a substantial amount of subject matter not found in the '925 application. (By way of example, the '238 application has forty-seven figure drawings, while the '925 application has only nine figure drawings. Added subject matter is also present in the specification of the '238 application. *See*, Exhibits A and B hereto.)

The departure of the disclosure of the '238 application from the disclosure of the '925 application does not comply with the rules for filing divisional applications. 37 CFR 1.53(b); MPEP 201.06 (*"A "divisional" application is a later application for an independent or distinct invention, carved out of a pending application and disclosing and claiming only subject matter disclosed in the earlier or parent application. The disclosure of a divisional application may not depart from the substance of the prior application by including new subject matter."*) Nor does the '238 application comply with the requirements of a regular continuation application. MPEP 201.07 (*"The disclosure presented in a continuation application must be the same as that of the original application; i.e., the continuation should not include anything which would constitute new matter if inserted in the original application."*) In contrast, a "continuation-in-part" is an application filed during the lifetime of an earlier nonprovisional application, repeating some substantial portion or all of the earlier application and adding matter not disclosed in the earlier application. MPEP § 201.08. A "continuation-in-part" is the proper designation for a later application that includes any amount of newly added subject matter.

Assignment

In view of the fact that a prior assignment recorded against the original application is applied to a divisional or a continuation application while a continuation-in-part application requires a new assignment, the determination sought by this petition would further identify which party has the right to take action in prosecuting the '238 application before the Office. MPEP 306. In the present case, although the 1996 Assignment Document allegedly conveyed title to parent application 08/855,911, there is no new assignment relating to the '238 application. A

decision by the Director to determine that the '238 application is, *de facto*, a continuation-in-part application due to its added subject matter would mean that the right to take action before the Office resides with the inventor.

Disclosure Under 37 C.F.R. 1.56

In keeping with Applicant's duty of candor and good faith, the undersigned attorney, on behalf of applicant/inventor Frederick J. Murphy, wishes to inform the Director of the following:

Bankruptcy Proceedings

NetFax Incorporated (the assignee of record of original parent application US serial no. 08/855,911) filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code on May 14, 2002, in the United States Bankruptcy Court for the District of Maryland (the "Bankruptcy Court"), Case Number 02-57777-SD. On or about June 21, 2002, the Bankruptcy Court converted the case to a Chapter 7 proceeding. The Chapter 7 trustee filed a motion in the Bankruptcy Court seeking authority to sell certain intellectual property allegedly owned by Netfax, including the '238 application. The Bankruptcy Court has granted the inventor relief from the automatic stay to permit him to file this petition. The applicant/inventor respectfully submits that, as a continuation-in-part application, title to the '238 application would not be held by the Netfax bankruptcy estate.

Filing of "Revocation Of Power Of Attorney With New Power Of Attorney And Change Of Correspondence Address"

Having observed that the '238 application includes subject matter not disclosed in the prior '925 application, the applicant/inventor has a reasonable and good faith basis for believing

that he holds title to the '238 application, and thus has a right to take action in the current application. On that basis, a "*Revocation Of Power Of Attorney With New Power Of Attorney And Change Of Correspondence Address*" form was executed by the inventor and filed with the Office by express mail on July 29, 2004 (hereafter "Revocation and Power of Attorney", Exhibit C hereto), for the purpose of filing the instant petition and seeking the Director's review.

Notwithstanding the above, the applicant/inventor wishes to inform the Office that, with the exception of the instant petition, no amendment or other submission or action has been taken by it in the present case, no contact has been made or attempted directly with the Examiner, and no attempt has been made to alter the claims or subject matter of the application. The applicant/inventor will continue to refrain from taking any further action in the '238 application while this Petition is pending, unless events arise that would render such an action essential to avoiding abandonment of the application or preserving its status quo.²

² On August 4, 2004, the Chapter 7 trustee for the Netflix bankruptcy estate sent a letter to counsel for the applicant/inventor alleging that the Revocation and Power of Attorney were a violation of the automatic stay. The applicant/inventor and his counsel responded to the trustee denying that these actions were a violation of the automatic stay but agreed, in the interest of moving toward a determination of title to the application that is not distracted by extraneous issues, that counsel for the applicant/inventor would file, without prejudice, a request to withdraw as attorney under 37 CFR Part 10. As part of the relief requested in the motion to lift stay, the applicant/inventor sought and obtained authorization to proceed with this petition and to take all actions necessary to effectuate and facilitate the filing of the petition (including filing a new power of attorney).

CONCLUSION

For all of the reasons discussed above, the Director's determination as to whether the '238 application is a divisional application versus a continuation-in-part application is respectfully requested.

Please charge the petition fee pursuant to 37 CFR 1.17(h) in the amount of \$130.00, and any remaining outstanding fees or overpayments, to Deposit Account No. 50-1895, Ref. No. 0503-002US2.

Respectfully submitted:

Date: _____

Leslie Meyer-Leon
Reg. No. 37,381

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Enclosures: Exhibits A-D,
Check, and Postcard